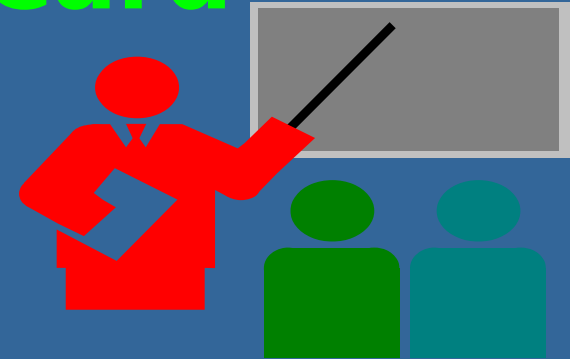


Welcome to the

Air Force Government- wide Purchase Card Training



a.k.a. International Merchant
Purchase Authorization
Card (IMPAC)

PROGRAM OVERVIEW

- Mandatory minimum **four-hour** training standardizes the level of training needed for cardholders & approving officials.
- Air Force Gov't-wide Purchase Card Program: Keep a **desktop copy of AFI 64-117**, your **primary reference**. Now at <http://afpubs.hq.af.mil/pubfiles/af/64/afi64-117/afi64-117.pdf> (AF Pubs Page)
- Issues remaining unresolved should be addressed to the **Installation Purchase Card Program Coordinator (IPCPM)**, Sandra L. Jenkins, at 7-0049, Assistant IPCPM, Michael L. Ford, at 7-7286, Janet Poulin at 7-7402, or FM for funding questions @ 7-3044, 7-3042, 7-2779 or 5-3217. For ABSS questions, contact Jack Jordan @ 7-5034.

Program Overview (con't)

- Training addresses:
- Definitions of Terms
- Authorized & Unauthorized Use of the Card
- Purchases Requiring Coordination/Review
- The Air Force Funding Process
- Mandatory Sources for office supplies, furniture, etc

INTRODUCTION

- Internationally accepted Government-wide Commercial VISA card, awarded by General Services Administration (GSA).
- For OFFICIAL Government purchases only - using **APPROPRIATED FUNDS** (also refer to AFIs 65-601, Volume 1, AND 65-603).
- Discuss funds issues with Financial Services Office and/or Resource Manager.



Introduction (con't)

- Appropriations Rules: Anti-deficiency Act (DoD 7000.14-R, Volume 14)
- In simple terms:
 - Don't spend \$\$ you don't legally have, can't spend *more* than you legally have, or for purposes other than those for which it is intended
 - You can't spend \$\$ until you legally get it.
 - You cannot receive services without paying for them.
 - When in doubt, discuss with Budget or your RM

INTRODUCTION (CON'T)

- Streamlined, efficient way for organizations to make micro-purchases (\$2500.00 and below **per occurrence**) of **supplies, equipment, and non-personal services** (Federal Acquisition Regulations, PART 8). **Oral purchase procedures are preferred.**
- **The card is mandatory for all purchases \$2500 and below that are authorized.** *See General Reynolds' letter, 7 Sep 2000*
- http://www.acq.osd.mil/dp/dars/dfars/html/213_2.htm
 - Defense FARS reference, Subpart 213.2, "Actions at or Below the Micro-Purchase Threshold," added Jul 31, 2000, requires a waiver signed by a general/flag officer (or SES) to justify not using the card at the threshold.

COMMANDER

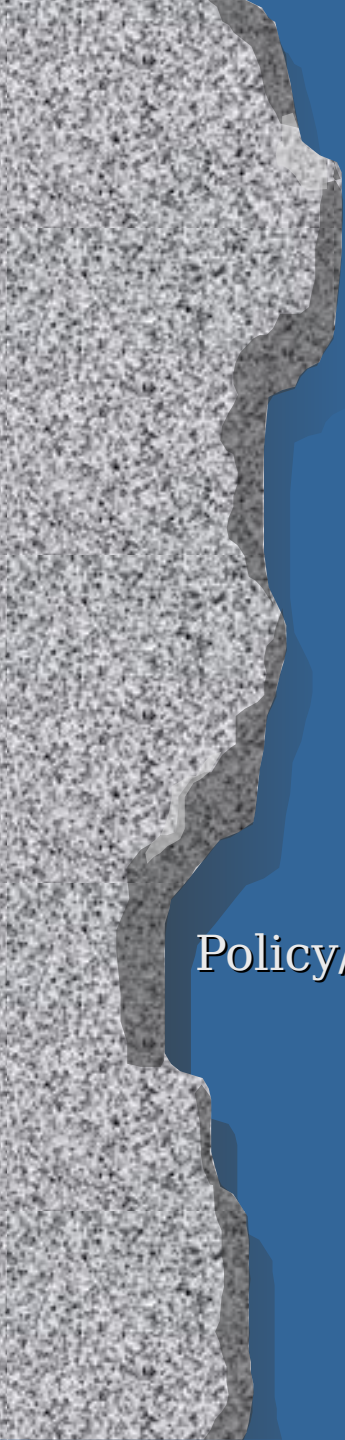
**Resource Manager +
Billing Official +
Cardholder =
Organizational IMPAC
Team**

VENDORS

Policy/Law

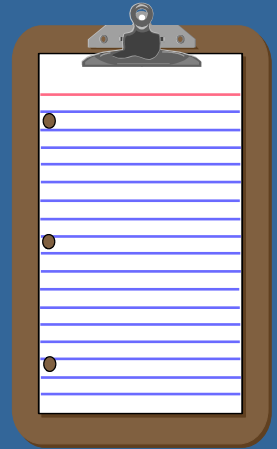
U.S.
BANK

CARD ADMIN



DEFINITIONS

- **TRANSACTION LOG** -(Paragraph 4.3.5.3.1.1.) *Locally developed* spreadsheet on which cardholders document **ALL** purchases prior to making them; use to verify orders are received.
 - An internal tracking system that captures all required data (item description, unit of issue, two or more vendor quotes) may be used.
- When the cardholder leaves, all documentation goes to the billing official.



DEFINITIONS:

Funding Document

- Is there money on the AF Form 4009, the Government Purchase Card Fund Cite Authorization Form?
- Know your Advice Number, found in the upper left hand corner of the form.
- **The 4009 is a promissory note to pay the monthly bill!! Don't overspend the authorized amount even if the card works.**
 - The billing official is responsible to ensure that all cardholders know how much they can spend based on the funded amount
 - If there is NO money left, STOP spending!

Dollar Limits

- Authorized **up to \$25K** (single-purchase limit):
 - Pre-priced Government Contracts (e.g., GSA, Blanket Purchase Agreements, Indefinite-Delivery Indefinite Quantity; however, GSA is the main tool)
 - UNICOR (Fed. Prison Industries - mandatory source for furniture)
 - Training, Education & Tuition Assistance
- **Defense Automated Printing Service (DAPS), up to \$100K**
- **Example:** Our local **Buy IT Store** uses a BPA for IT purchases -- Commercial Information Technology Product Area Directorate (CIT-PAD) at <http://web1.ssg.gunter.af.mil/CIT-PAD>

Definitions: Types of Dollar Limits

- **Paragraph 3.2:** Use of the card is subject to various dollar limits:
 - **Single Purchase Limit (SPL)** -- cannot exceed \$2500 unless using pre-priced contractual instruments mentioned before; a restriction on how much of your allowance you can spend at ***one time, in one place, for one or more items.***
 - **Monthly Cardholder Limit (MCL)** -- total \$\$ value allowed for a given month, in increments of \$100. This is the amount your organization actually sets aside to pay the bill each month. Our monthly billing cycle is the **25th to 25th** of each month.

Definitions: Types of Dollar Limits (con't)

- **Paragraph 3.2 (con't):**

- **Funding Document Limit (FDL)** : Budgetary limit established on the AF Form 4009 by the organization, certified by Finance. Usually done quarterly, and totals all the cardholders' 30-day limits.
- **Company Limit:** Billing Official limit, determined by the number of 30-day limits of all the cardholders
- **Example:** Two cardholders on 4009: Both have a \$2500 SPL, one has \$10,000 MCL, the other \$15,000. The Company Limit is \$25,000, and the FDL is \$25,000 X 3 for the quarter, or \$75,000.

DEFINITIONS

ADMINISTRATIVE OFFICE:

Located within AFFTC/PK - This office maintains overall responsibility for the program. We provide local IMPAC account establishment, training, surveillance (audits).



DEFINITIONS

- BILLING OFFICIAL - (PARA 4.3.4) Appointed IN WRITING as an accountable official.
 - Cardholder's resource manager, or a higher level official. This official approves and signs off on all IMPAC purchases on the Finance copy of the Monthly Statement, & **returns** it PROMPTLY to FM so the bill can be paid. **Faster payment equals rebate!!!!**

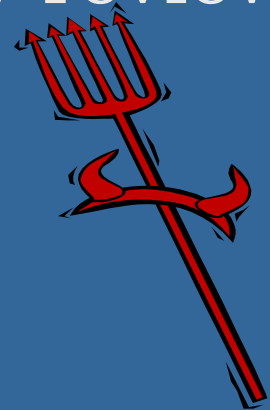
A billing official MUST BE:

- SAME CHAIN of command as cardholder
- MID-LEVEL GRADE
- CAN'T BE A BILLING OFFICIAL FOR YOUR OWN IMMEDIATE SUPERVISOR
- WHENEVER POSSIBLE, AN ALTERNATE MUST BE ASSIGNED to cover primary when TDY or on leave.

Definitions:

Surveillance

- Paragraph 4.3.3.6:
 - Every 12 months, 25% of cardholders assigned to the billing official.
 - Convenience Checks - quarterly
 - Billing officials must do surveillance as well -- 100% of their cardholders at least every 12 months
 - New cardholders - actively review during first three months.



DEFINITIONS

- **CARDHOLDER** (Paragraph 4.3.5.1)-
A military or civilian Government employee
- **Sole user**/custodian of the card.
- Verifies all of the purchases on the Monthly Statement.
- Can be held liable to the government for the total amount of unauthorized purchases.

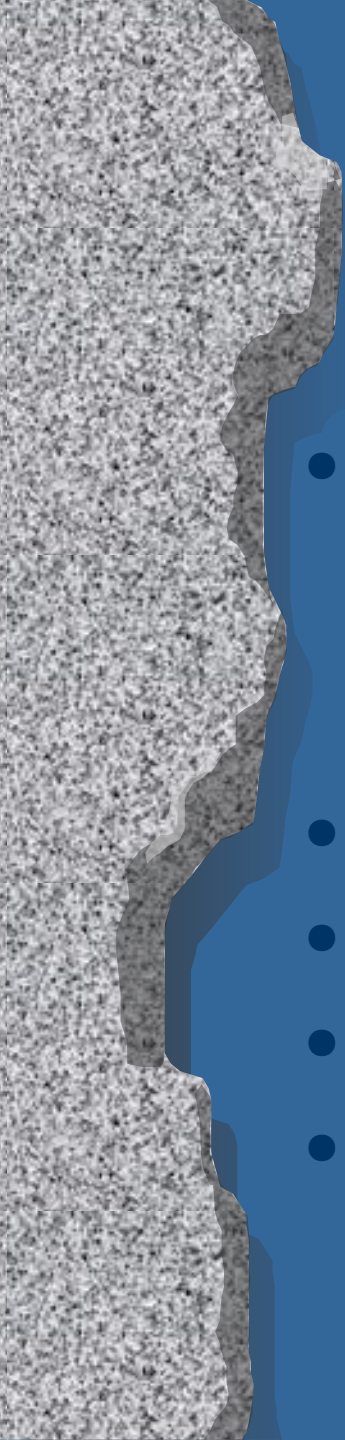


DEFINITIONS

- TWO KINDS of DISPUTES (Para 4.3.5.6):
 - State/Local SALES TAX AND FREIGHT
 - MERCHANDISE
 - Disputes will be resolved **between the cardholder and the vendor** to the maximum extent possible.
 - A Cardholder Statement of Questioned Item Form (CSQI) - cardholders claim credit for disputed items which cannot be resolved with the vendor.
 - U.S. Bank allows 60 days to submit a CSQI - best reason to submit CSQI **immediately** is an UNRECOGNIZED CHARGE.

DISPUTES

- DISPUTES on sales tax or freight are NOT disputable with the bank, but are disputable ***directly with the vendor***. Do not fill out or submit the CSQI form; it is the cardholders responsibility to **contact the vendor and request a credit be issued** due to the erroneous charge(s).
State Tax Letters (for tax exempt proof) go to Smart Pay Request Letter at <http://www.fss.gsa.gov/services/gsa-smartpay/sttaxltr.cfm>
- Merchandise disputes are considered legitimate disputes and must be resolved. It is the cardholders responsibility to contact the vendor, indicate the problem, fill out the CSQI form (available at <http://pkec.robins.af.mil/impac/impacdis.htm>) and fax original to U.S. Bank @ **701 461-3466** [not finance]. Forward a **copy** of your statement and CSQI form to your BO for validation. The BO will attach these documents to the “APCS - Financial Business Summary Invoice” and **forward the entire package to FM on or before the assigned suspense date.**



DEFINITIONS:

FINANCE OFFICE

- **AFFTC/FMFL** - Certifies fund availability (the 4009). Processes payment to U.S. Bank through DFAS. Maintains required accounting records.
- Jennifer Havird, 7-3044
- Lisa Cross, 7-2779
- Dawn Poppler, 7-3042
- Michelle Wright, 5-3217

DEFINITIONS

- **U.S. BANK** (Fargo, N.D.) - **888 99IMPAC (888-994-6722)**
- Contractor bank who issues the credit card and checks. Provides **STATEMENT OF ACCOUNT (SOA)** - A monthly listing of all payments authorized for purchases and credits made by the cardholder and billed by the merchant. (If you do not receive your statement within ten business days, you need to contact IMPAC Card Services and ask for a reprint and have them FAX it to you, otherwise it will be sent in the mail).
- Call the bank to activate a new card (need to know your SPL & MCL), check your balance, etc. (Balance given is the amount spent, not the amount remaining).

USE OF THE IMPAC:

National Industries for the Blind & Green Issues

- Per Javits-Wagner-O'Day (JWOD) Act of 1971, 41 U.S.C. 46-48c, the **NIB Program** is a **MANDATORY** source of supply for Federal employees. **DO NOT SHOP IN RETAIL STORES FOR NIB PRODUCTS!!** Only through catalogs of authorized NIB retailers, OR at web sites such as <http://www.fss.gsa.gov> or JWOD.COM.
- **Affirmative Procurement Program:** Exec. Order 13101, *Greening the Gov't Through Waste Prevention, Recycling, & Fed. Acquisition*. See www.epa.gov, <http://notes.erg.com>, or contact Bio-Environmental.

REFUNDS OR REBATES

- US Bank may provide a *rebate* based on sales and prompt payments. Rebates are returned to the organization.
- Cash Rebates/refunds from vendors -- return to Uncle Sam via FM, or ask vendor to credit purchase with rebate amount.



RETENTION OF DOCUMENTATION

- Paragraph 4.3.5.4 & FAR 4.805(b)(10) states :
- Billing office level: 6 years, 3 months
 - (AFMAN 37-139, Table 177-18, R6)
- *** Documents at c/h level: **One (1) year after final payment** - includes receipts, monthly statements, logs, etc., IAW **AFMAN 37-139, Table 64-4, R26**
- Shipping documents from merchants - keep 60 days; sufficient documentation of purchases and an audit trail

AUTHORIZED USE OF THE IMPAC

- Purchases **cannot** exceed **single purchase limit of \$2500**, (unless under the exceptions) or be split to stay within the single purchase limit.
- Example: \$5000 buy, cardholder uses the card twice to purchase one item & makes it look like two separate purchases, or two cardholders each use their separate cards to pay.
- The total of a single purchase may be made up of multiple items, but may not exceed the single purchase limit.

AUTHORIZED USE OF THE IMPAC

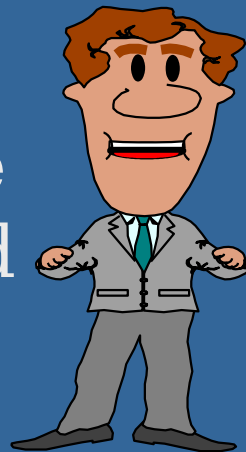
- ☞ Paragraph 4.3.5.2.2 --Items must be available within one billing cycle (30 days). Our cycle is the 25th through the 25th .
- ☞ Items must be received or service completed before the item appears on a Statement of Account.
- ☞ **Exception: Subscriptions** for publications not available through Base or Technical Library. One of two items NOT subject to restriction of single billing cycle rule. The other is TRAINING approved on a DD Form 1556.
- ☞ Backordering permitted if vendor agrees to not bill before shipment is made.

AUTHORIZED USE OF THE IMPAC

Cardholder must inform merchant that **we are not subject to state or local sales tax!**
Tax exempt number is first eight digits of card number (4716-3000).

Exempt memo may be sent as proof (see handouts for sample) or direct vendor to web.

- ❖ Not authorized to make purchases from suppliers that will not honor the tax exemption notice on the bankcard



Authorization by Controlling/Servicing Agencies

- See AFI 64-117, Paragraph 2.2:
- Photographs, Visual Info, Electronic Digital Imaging & Video Equipment & Services - **Base Audiovisual Manager**
- Potential Hazardous Materials - **Base HAZMAT Process Team (Bio-Environmental)**
- Civil Engineer Supplies and Real Property Installed Equipment - (NOTE: **Construction: \$2000 limit**, per Davis-Bacon Act) and AF Form 332, Work Order is always required **Base Civil Engineer**
- Communication and Computer Equipment & Software - **Computer Systems Requirements Board (Information Technology) BuyIT Store on CenterNet or IT Directorate**

Controlling Agencies (con't)

- Medical Items - Medical Logistics Officer
- Library materials - Tech Library or Base Library
- Paid Advertisements with appropriate authority IAW FAR 5.502 & AFFARS 5305.502 prior to purchase - Head of Contracting Activity approval required, but approval authority may be delegated to wing commanders by the HCA for purchases less than \$2,500.
- Test, Measuring & Diagnostic Equipment - PMEL
- Rental/lease of material handling equipment/fleet motor vehicles (also see Para 2.4.2 for guidance on vehicle rental connected to TDYs) - Chief of Transportation

Controlling Agencies (con't)

- Rental/lease of materials handling equipment or aircraft support equipment (e.g., aircraft staircases, baggage handling equipment) - **Appropriate Group/Deployed Commander**
- Centrally managed items related to weapon systems - **Weapon System's Program Director**
- Individual Equipment/Organizational Clothing Items - cardholder must ensure vendor meets all requirements outlined in **AFI 36-2903, Dress & Personal Appearance of AF Personnel.**

Controlling Agencies (con't)

- MWR Items. For gym equipment (FSC 7830), written approval prior to purchase must be granted by **Services & Group Commanders** for allowance standards 410 preface & AFIs 34-204 & 34-266.
- Bird Aircraft Strike Hazard (BASH) Program. - **Munitions Accountable Systems Officer (MASO) and OO-ALC/WM (written approval), COTS Munitions Program Manager, or Integrated Materiel Manager (IMM).** Follow COTS approval procedures in AFI 21-201 before purchasing.

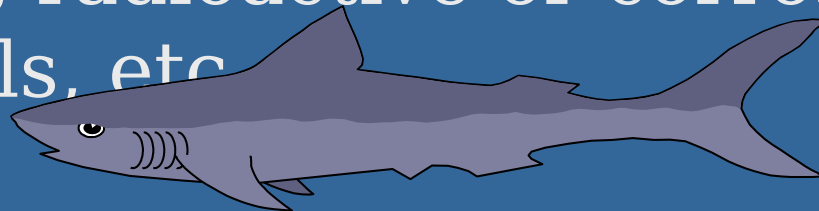
LIMITED AUTHORIZED USE OF THE IMPAC

- ❖ AUTHORIZED Purchases from Commissary, MWR , AAFES (Paragraph 2.1.2.2) & Military Clothing Sales (e.g. honor guard)
- ❖ Apply good judgement & “best value” techniques



Limited AUTHORIZED USE OF THE IMPAC

- ❖ Potentially hazardous materials as determined by bio-environmental engineer (unless purchased by personnel assigned to the hazardous materials pharmacy) e.g. acetone, alcohol, benzol, ether, gasoline, naphtha, pesticides, refrigerants, poisons, radioactive or corrosive materials, etc



CAUTION

- **PARA. 4.3.5.3.1: All acquisition, supply, and finance regulations apply to IMPAC purchases.**
- Ensure that the supply or service is not one that must be purchased from a required source of supply IAW FAR Part 8. (e.g., Federal Prison Industries (UNICOR)
- Nat'l Industries for the Blind (NIB)
- Nat'l Industries for the Severely Handicapped (NISH), requirements contracts, etc.)

Coordinate the following:

- Repair services for General Equipment - contact your **RM** or **Contracting** -- make sure repair is not already covered by an existing preventative maintenance agreement. (Paragraph 2.3.2)
- Books, periodicals, & manuals - **Base or Tech Library**
- Professional Services (e.g., accountants, lawyers, architects, engineers, physicians, etc.) - **Contracting**

CONVENIENCE CHECKS

- Paragraph 3.6 of AFI.
 - Use with vendors who do not accept plastic (mainly small services, e.g., transcribers, church organist, etc). Requires separate AF Form 4009.
 - Check writer must be trained just like cardholders
 - No more than \$2500 per check -- still can't split a requirement. **DO NOT EXCHANGE CHECKS FOR CASH!!!! JAIL TIME!!**
 - Admin costs - 1.7% of face value of check (e.g., \$1000 check will have a fee of \$17.00)
 - Report amounts paid to IRS on TD Form 1099 MISC at the end of the calendar year (DFAS Web Page next year, we hope).

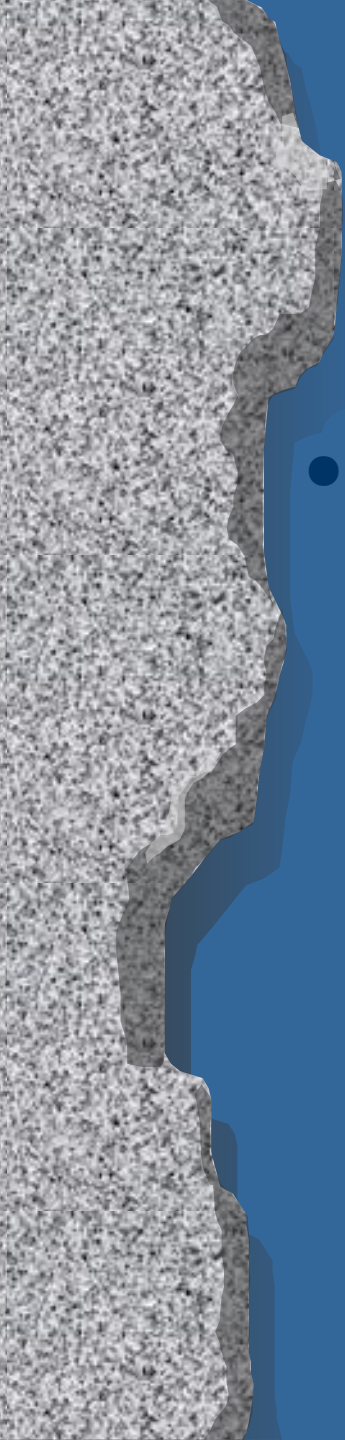
FED EX

- Paragraph 2.3.6: Discusses Fed Ex for payment of domestic express next business day Small Package Delivery; however, **at Edwards AFB**, all out-going shipments must go through 95 TRANS/LGTTF. REF: *AFI 24-201*. Call Ms. Simrak or SSgt Amaral at 7-3601. There is a 24-hour standby at Command Post for ship hours.



Business cards

- See AFI 65-601, Paragraph 4.36 - must use existing software & agency-purchased card stock, or DAPS can purchase from Lighthouse for the Blind (Paragraph 2.3.5 of AFI 64-117) when organization determines that costs are equivalent (or less) to purchase cards rather than produce them on computer. There are only five jobs authorized to ***commercially*** print business cards:
 - 1. Active AF Military Recruiters
 - 2. AF Academy
 - 3. Civilian Employees engaged in professional recruiting
 - 4. USAF Reserve
 - 5. Air National Guard
 - CAUTION: Seasonal greeting/birthday/get well etc. cards are a PERSONAL EXPENSE!!

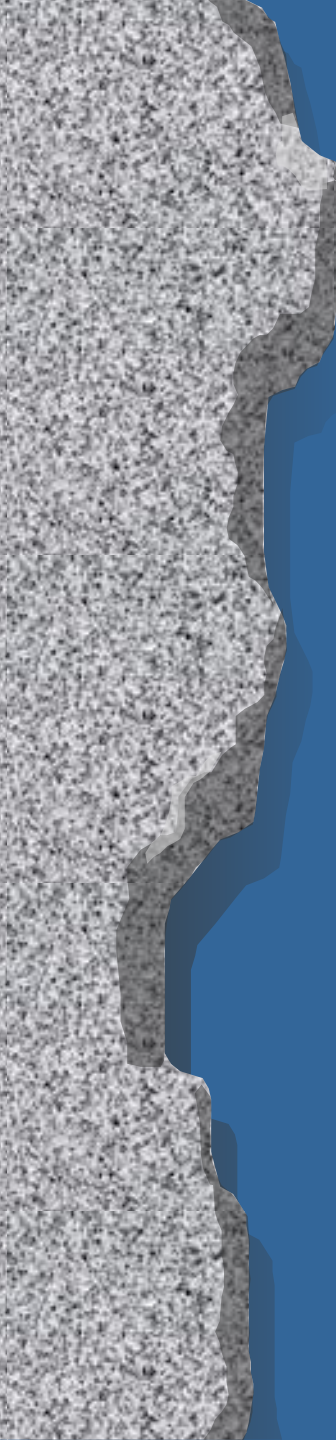


Water Restrictions

- Water - no bottled or vendor provided water unless:
 - Bio-Environmental has determined water is not potable
 - Construction to building turns water off
 - Under normal circumstances - Take up a collection for Sparkletts, etc.

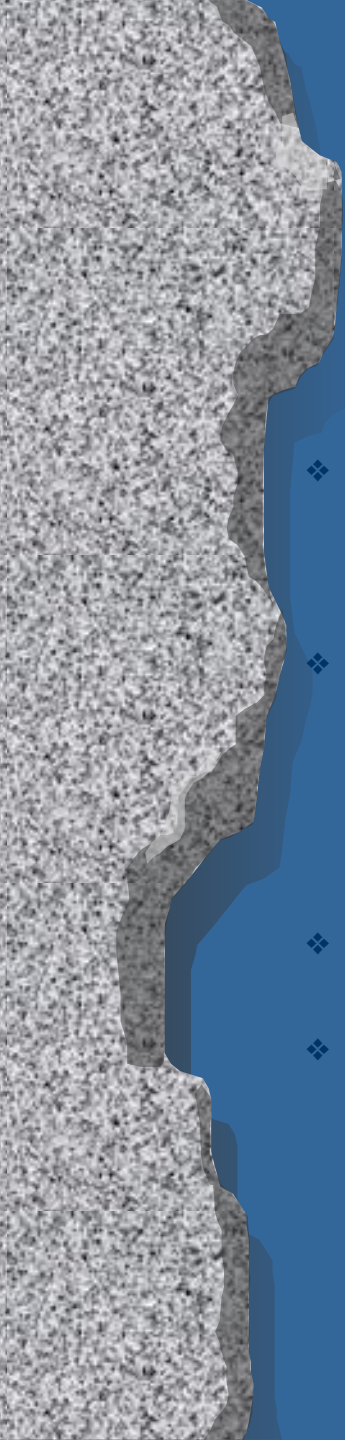
Quick No-No List

- ❖ **RETIREMENT/PCS RELATED PURCHASES (EXCEPT FLAG)**
- ❖ **MONEY ORDERS**
- ❖ **KITCHEN UTENSILS, FOOD SERVING MATERIALS, PLASTICWARE, COFFEE POTS, OR FOOD** to include styrofoam cups, paper plates, etc. (See Use of Appropriated Funds Message, dated 11/2/99)
- ❖ **BARBEQUE GRILLS**
- ❖ **RECORDED MUSIC**
- ❖ **AIRCRAFT PARTS (CHECK WITH SUPPLY)**
- ❖ **BOTTLED WATER**
- ❖ **PLAQUES** for anything other than **MISSION ACCOMPLISHMENT AWARDS**



UNAUTHORIZED USE OF THE IMPAC

- Cash Advances
- Telephone calls
- Travel related purchases
 - Includes rental/lease of motor vehicles associated with TDY supported by travel orders, airline or other transport tickets, meals, drinks, lodging, or other travel or subsistence costs that will be reimbursed on a travel voucher.

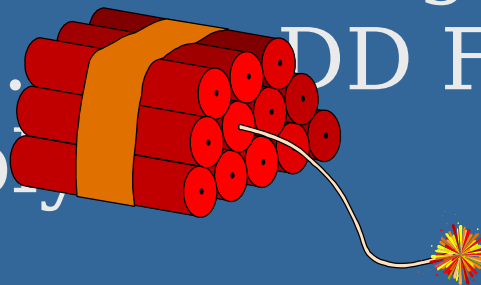


UNAUTHORIZED USE OF THE IMPAC

- ❖ Rental or lease of land/buildings in excess of 30 days
- ❖ Purchase of aviation, diesel, or gasoline fuel or oil for aircraft and motorized vehicles (GSA vehicle card)
- ❖ Repair of leased vehicles
- ❖ Janitorial, yard and maintenance services, other than repair services.

UNAUTHORIZED USE OF THE IMPAC

- ❖ Items determined hazardous by the bio-environmental engineer without written approval from specified controlling agency
 - ❖ EXPLOSIVES, MUNITIONS, TOXINS, AND FIREARMS.
Exception: Bird Aircraft Strike Hazard (BASH) Program munitions.
- DD Form 1348-6
with Supply



UNAUTHORIZED USE OF THE IMPAC

- ❖ Personal clothing or footwear
- ❖ Printing or copying services from commercial sources (use of Defense Automated Document Service or any government printing/copying office requires IMPAC as of 1 Oct 97).
- ❖ Personal services
- ❖ Items with special security characteristics

UNAUTHORIZED USE OF THE IMPAC

- ❖ Purchase of personal memberships to associations of any kind, or personal entertainment, and related items
- ❖ **Gifts - bad!!** (e.g., retirements, farewells). Includes food/beverages for org. functions (commander's call, picnics, parties, award programs), promotional items for conferences, meetings, symposia (coins, mugs, coasters), and cash incentive awards. See AFI 65-601 for complete discussion on this subject.)

UNAUTHORIZED USE OF THE IMPAC

- ❖ Items which must have a technical inspection before acceptance and payment
- ❖ Ratification actions (obligating gov't to pay for something not approved for purchase)
- ❖ Controlled Cryptographic Items (secure telephone instruments or CCI assets) - contact Base Supply
- ❖ Budget Code 8 XD/XF Items (AF specific Aircraft Depot maintained items, e.g., circuit cards that are DIFM items)
- ❖ Utility Services (gas, water, phone, waste removal, cable services).

UNAUTHORIZED USE OF THE IMPAC

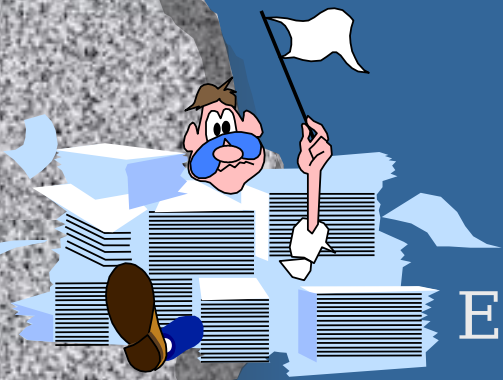
- ❖ Items covered by requirements type contracts (may be appropriate for acquiring any supplies or services when the Government anticipates recurring requirements, but cannot predetermine the precise quantities of supplies or services that designated Government activities will need during a definite period.)



UNAUTHORIZED PURCHASES

- * In the event an unauthorized purchase is made, the **Installation Purchase Card Program Coordinator** has the authority to **confiscate the purchase card** from the cardholder.
- * The Installation Commander or the Contracting Squadron Commander has the authority to **suspend or terminate purchase card privileges to cardholders and billing officials**, and the Installation Commander and/or the respective Squadron Commander has the authority to **discipline cardholders and billing officials** who abuse or violate IMPAC Program requirements.
- * **Cardholders & Billing Officials: Subject to judicial and punitive actions. OSI can get involved.**

ACQUISITION PROCEDURES



Ensure funds are available

- ✦ Only firm-fixed price transactions are authorized - the listed price is what you pay.
- ✦ Solicit prices on a free on board (F.O.B.) destination basis.
- ✦ Solicit competition for purchases.
- ✦ Solicit suppliers other than the previous vendor before placing repeat orders.
- ✦ Document the record regarding competition and reasonableness of price

ACQUISITION PROCEDURES

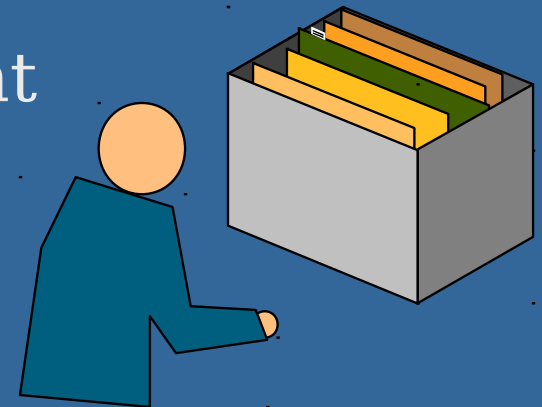
- 
- ✦ Certify that the quantity and quality of the items or non-personal services furnished are in accordance with the agreement with the supplier.
 - ✦ Ensure the fee paid to US Bank by merchants is not added to the price of items or non-personal services.
 - Shop from local, small, disadvantaged businesses when feasible (**BUT DON'T FORGET NIB requirement!**)

TELEPHONE ORDER PROCEDURES

- Notify the supplier that the purchase is tax exempt
- Confirm that the supplier agrees to charge the IMPAC only after shipment is made.
- Instruct the supplier to include the following information on the shipping document.
 - a. Cardholder name, office symbol, and telephone number.
 - b. Building number, room number, street address, city or base and state
 - c. The term “Credit Card”

CARDHOLDER FILE MAINTENANCE

- Admin Office maintains Delegation of Authority Letter
- Copy of Statement of Training Cardholder Instructions (AFI 64-117)
- Bankcard procedures (comes with the card)
- Copies of AF Form 4009
- Purchase documentation
- Monthly statement of account
- We do have to AUDIT YOU!!



SPEND WISELY - IT'S YOUR PARENTS' MONEY

- As of Feb-01:
- 321 B/O
- 754 C/H
- 1075 TOTAL
- 3668 TRANSACTIONS FOR FEB; 15,264 FOR FY
- \$2,036,956.84 NET
SALES FOR FEB
- \$8,204,880.63 CUM NET

